



Accelerate Your Business

Indiana Economic Development Corporation

September 10, 2008

Barbara McNutt
Chief Counsel
Indiana Professional Licensing Agency

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Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, The Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small businesses associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") on behalf of the Indiana Board of Accountancy ("Board") and contained in LSA Document 07-304. The proposed rule adds 872 IAC 1-1-10.5 to establish the fee requirements and procedures for the accountant investigative fund established by House Enrolled Act 1312. Board records indicate that there are 9,020 active Certified Public Accountants ("CPA"), public accountants, and other accounting practitioners. Small business for which these licensees are employed will also be affected because of the necessity for licensees to comply. There are approximately 1,125 accounting firms with permits to practice accountancy issued by the Board. However, some businesses that employ these licensees and are affected by this rule are not small businesses as defined by the statute. Although the exact number of small businesses affected will be less than 1,125 they are unable to determine the exact number that would be affected. As a result, estimates are based upon the maximum number. For purposes of this analysis, the Board has assumed all affected entities are small businesses, so the figures reflected in this statement represent the maximum possible cost. It is anticipated that the actual cost will be a lesser amount.

Costs occurring as a result of this rule consist of fees for the issuance of CPA licenses and renewal fees for the renewal of CPA, public accountant, and accounting practitioner licenses. The rule proposes an additional \$10.00 fee for the issuance of a CPA license. The IPLA issues approximately 365 CPA licenses each year. There will be an additional \$30.00 fee assessed every three (3) years for the renewal of CPA, public accountant, and accounting practitioner licenses. The proposed rule affects individual licensees, but some small businesses that employ the licensees may pay the fees assessed to their covered employees.

The maximum annual economic impact of the CPA license issuance fee, based upon the estimated number of licenses issued every year, is expected to be \$3,650 [365 licenses X \$10.00 fee = \$3,650]. The maximum annual economic impact of the \$30.00 renewal fee is \$91,220 [9,122 licensees X \$30 fee / 3 years = \$91,220]. Thus the maximum economic impact per year, assuming all affected entities are small businesses, is \$94,870.

The IEDC does not object to the economic impact to small business associated with this proposed rule. The annual fees are modest on a per licensee basis, and employers have the option paying this fee or passing the cost onto their employees. The rule, which was created in response to House Enrolled Act 1312, will enhance consumer protection by strengthening the state's ability to investigate consumer complaints and enforce applicable laws and administrative rules.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry

Assistant Vice President